

of Sustainability Disclosure: The Case of the World Economic Forum Metrics

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ESG Disclosure can be a force for good



Environmental



Social



Governance

Stakeholders need greater transparency about firms' environmental and social impacts on the world



Principles of Governance

Setting Purpose
Governance Body Composition
Material issues impacting stakeholders
Anti-corruption
Protected ethics advice and reporting mechanisms
Integrating risk and opportunity into business process

People

Diversity and inclusion (%)
Pay equality (%)
Wage level (%)
Risks for incidents of child, forced or compulsory labour
Health and safety (%)
Training provided (#, \$)

WEF Stakeholder Capitalism Metrics

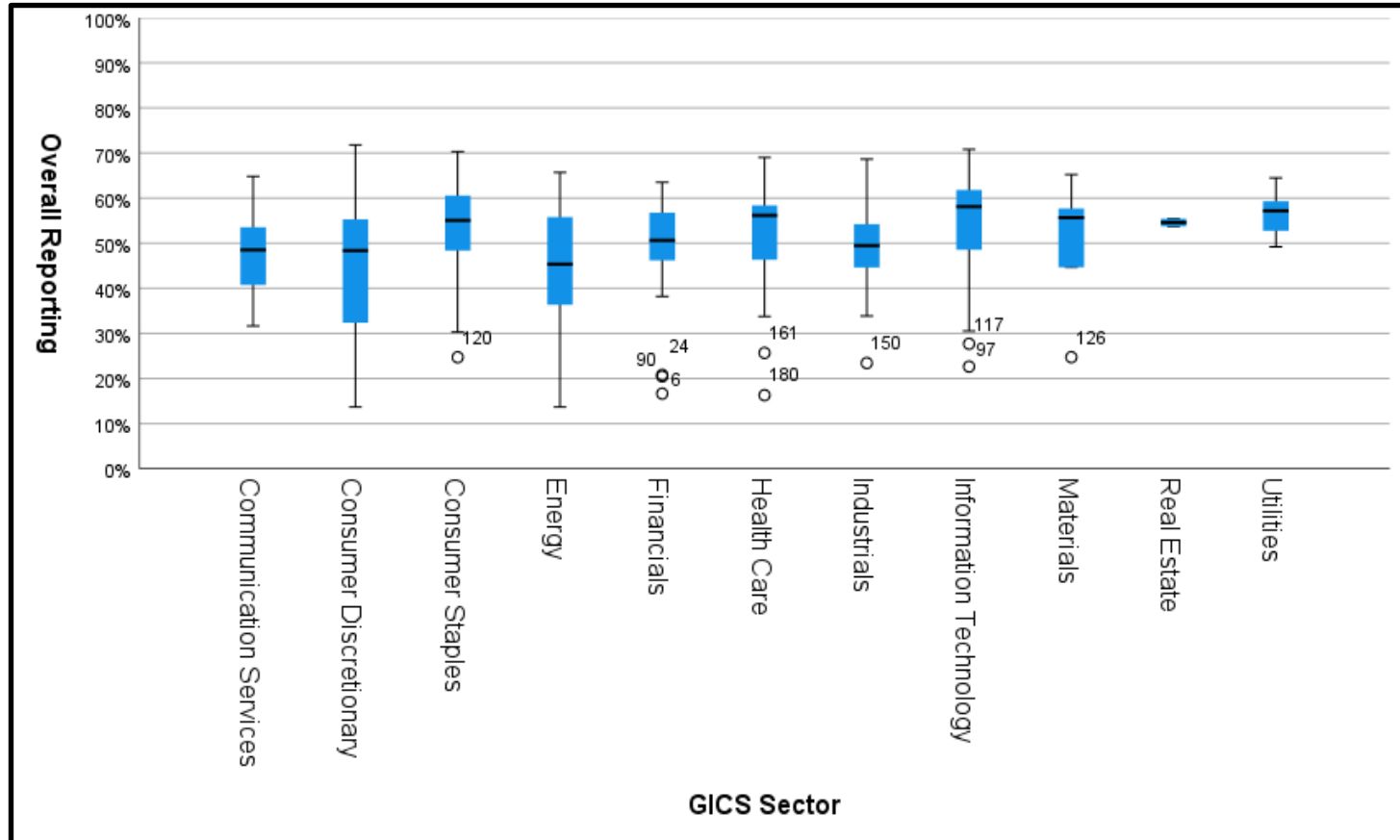
Planet

Greenhouse Gas Emissions
TCFD Implementation
Land use and ecological sensitivity
Water consumption and withdrawal in water-stressed areas

Prosperity

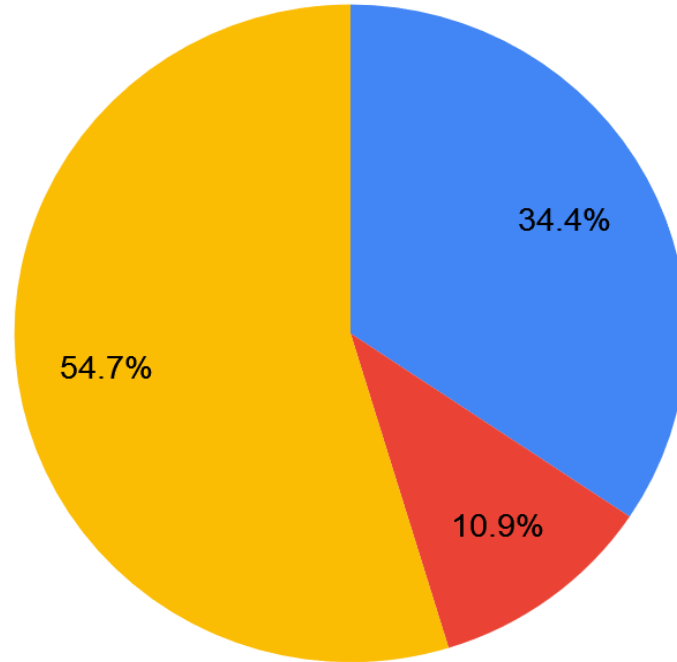
Absolute number and rate of employment
Economic Contribution
Financial investment contribution
Total R&D expenses
Total tax paid

All metrics: Average 49% reporting

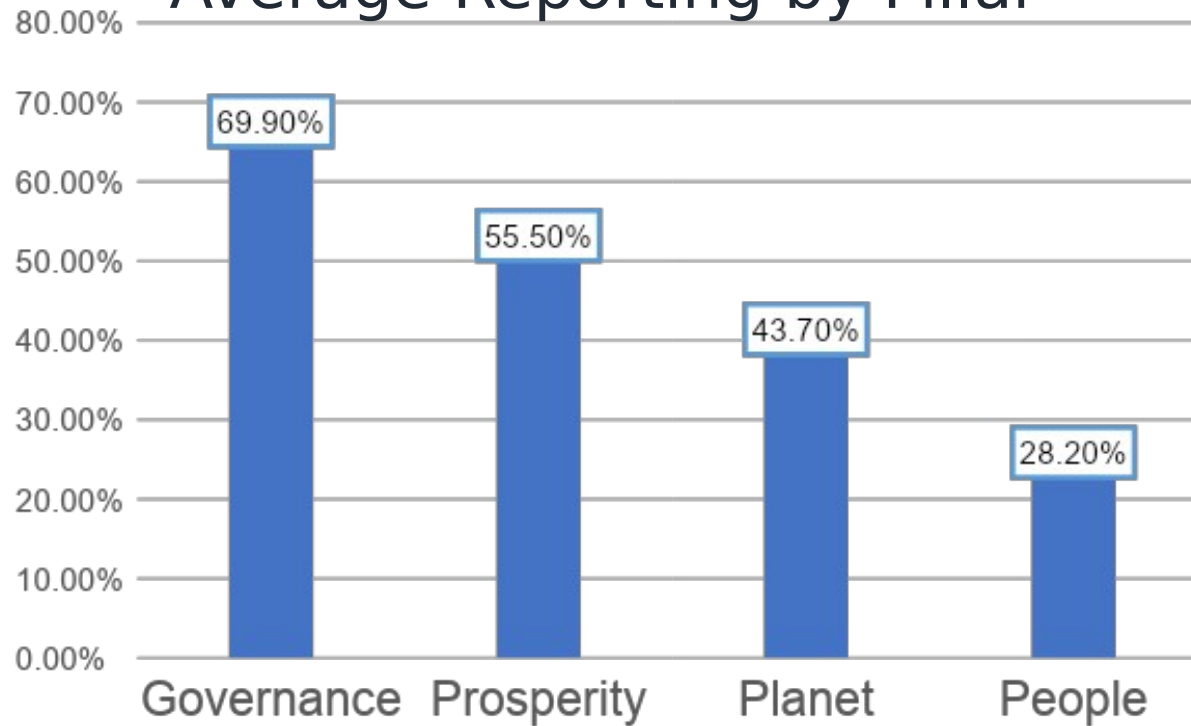


Primary Sources of Overall Disclosures

● SEC Filings/Compustat ● CDP ● Sustainability Reports/Corporate Websites



Average Reporting by Pillar



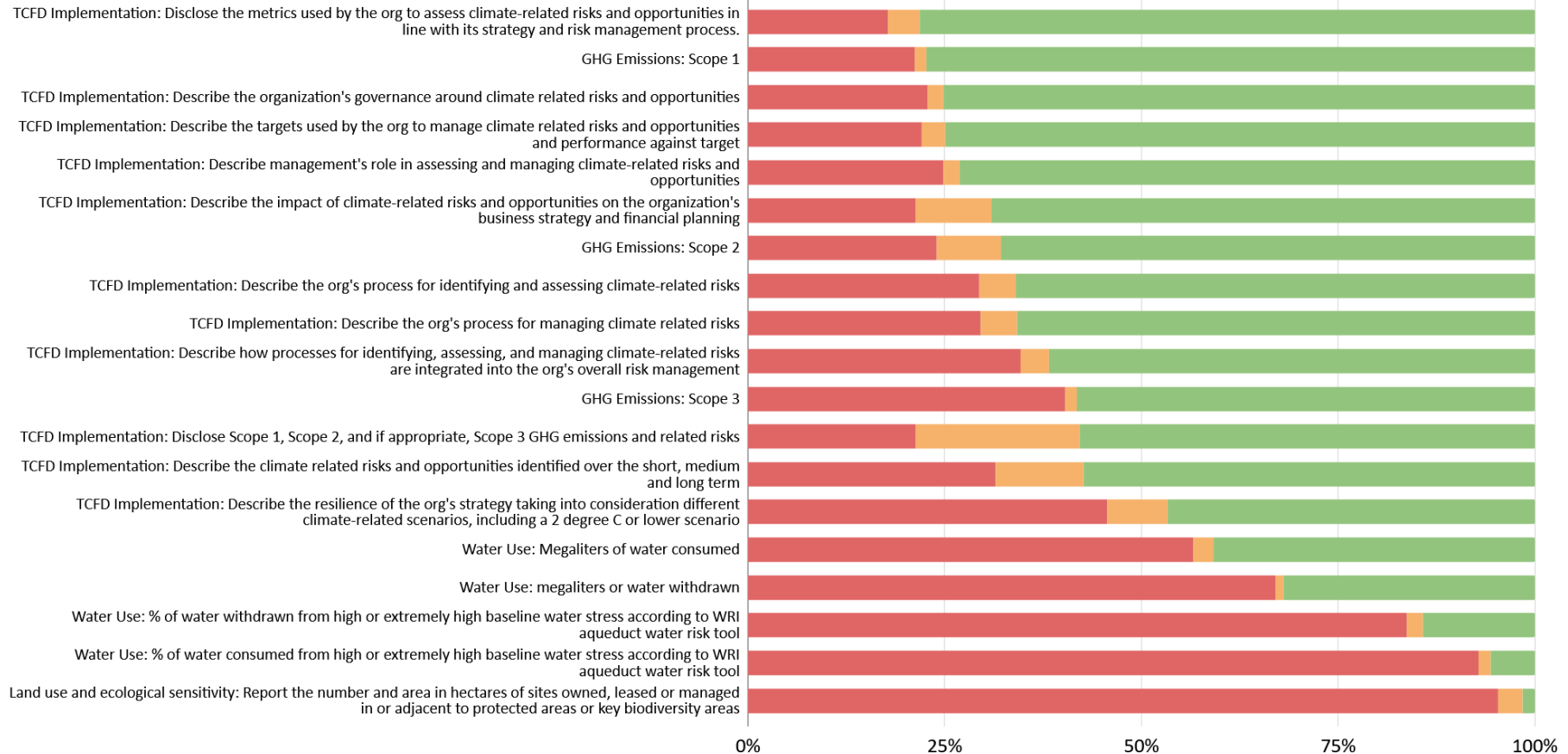
Pillar: Governance

■ No Reporting ■ Partial Reporting ■ Complete Reporting



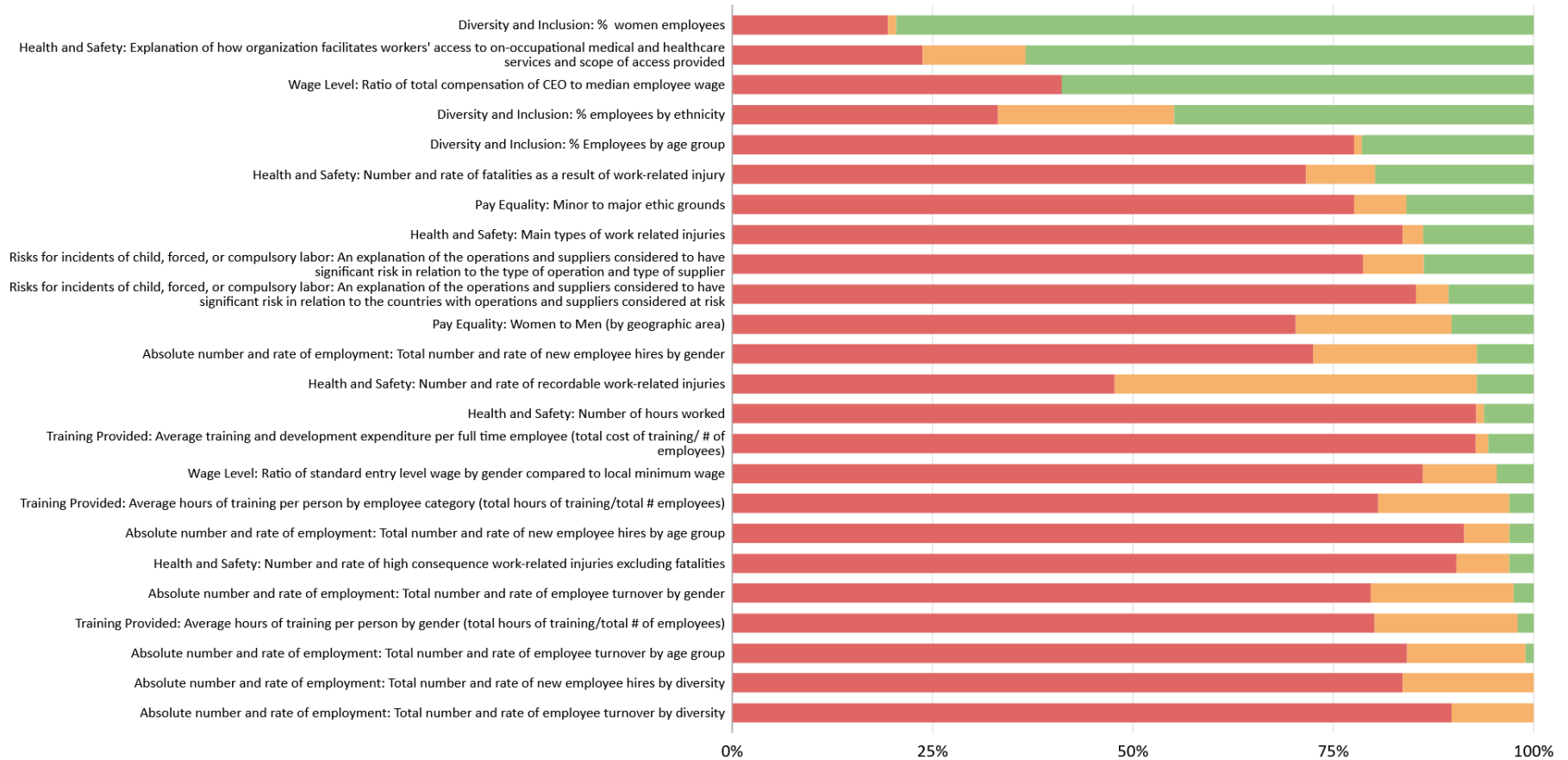
Pillar: Planet

■ No Reporting ■ Partial Reporting ■ Complete Reporting

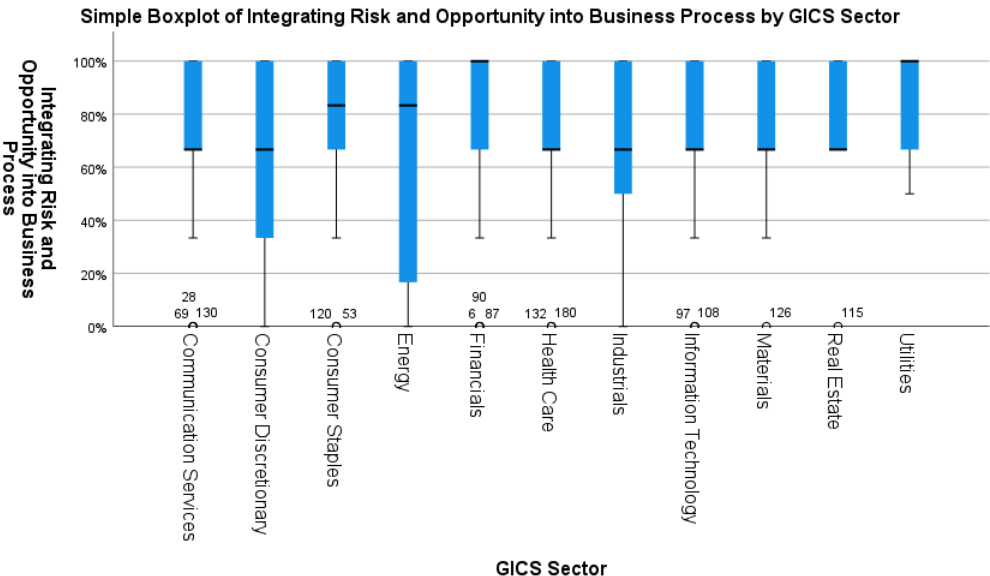


Pillar: People

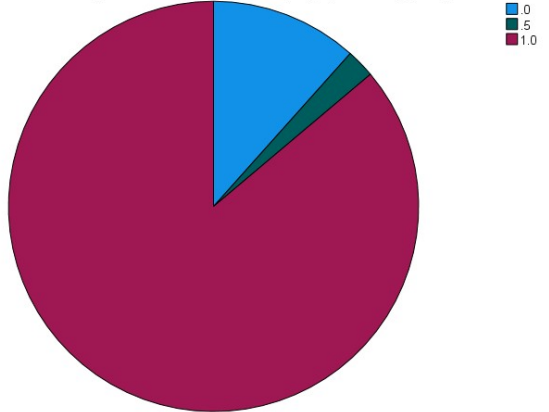
■ No Reporting ■ Partial Reporting ■ Complete Reporting



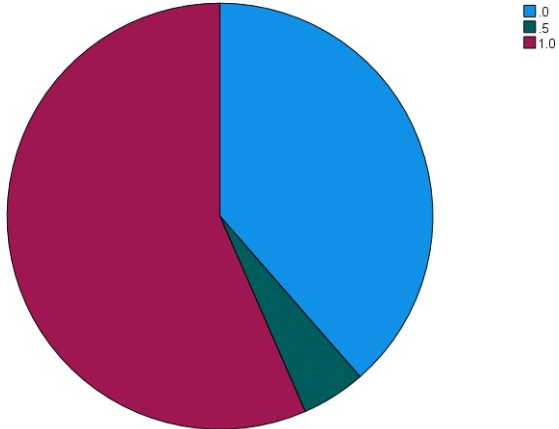
Example Metric: Governance Pillar - Integrating Risk and



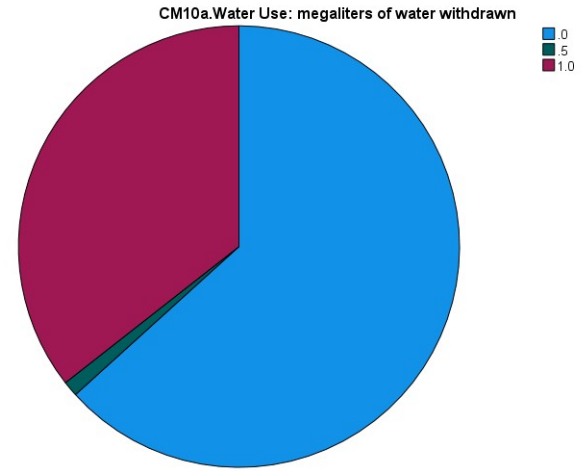
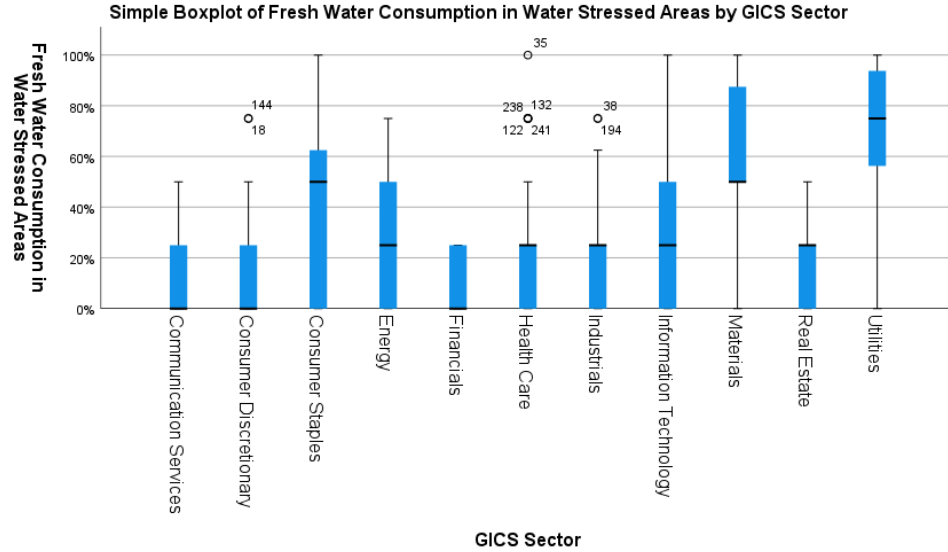
CM6a. Integrating risk and opportunity into business process: Disclosures that clearly identify the principal risks and opportunities facing the company specifically (as opposed to sector risks)



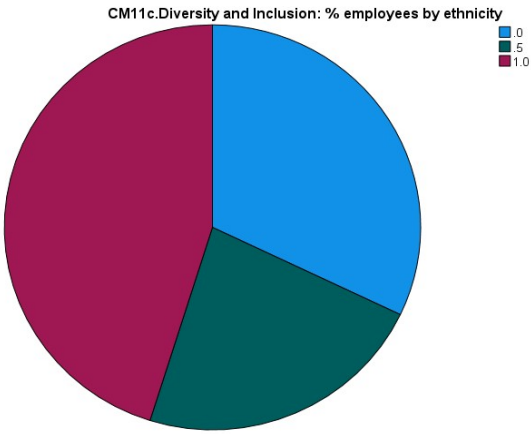
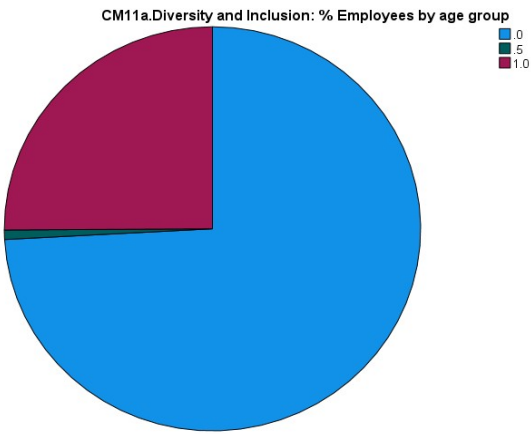
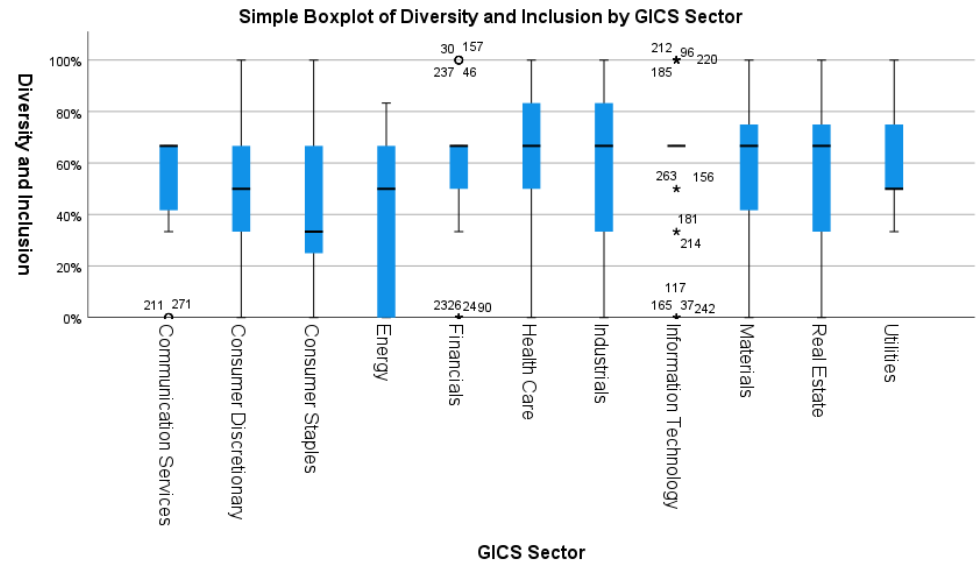
CM6b. Integrating risk and opportunity into business process: Disclosures that clearly identify the company appetite in respect of these risks



Example Metric: Planet Pillar - Freshwater Consumption

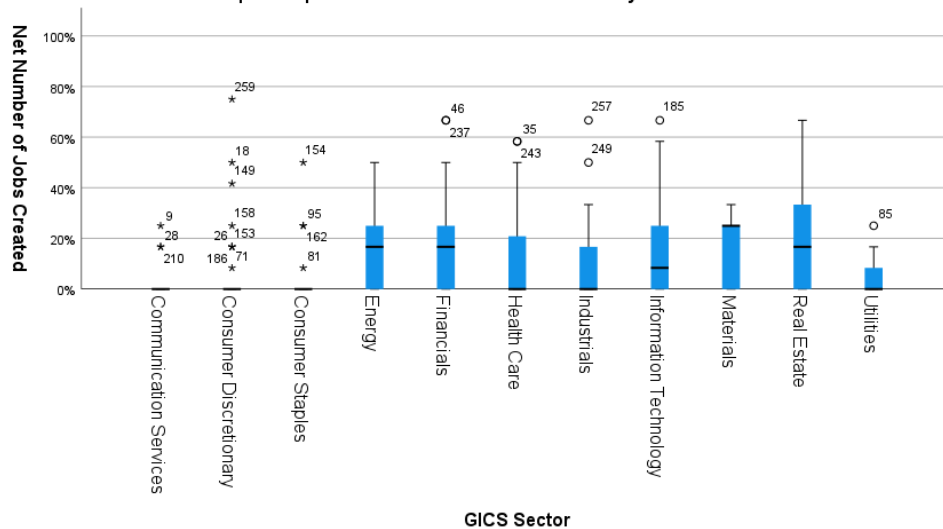


Example Metric: People Pillar - Diversity and Inclusion

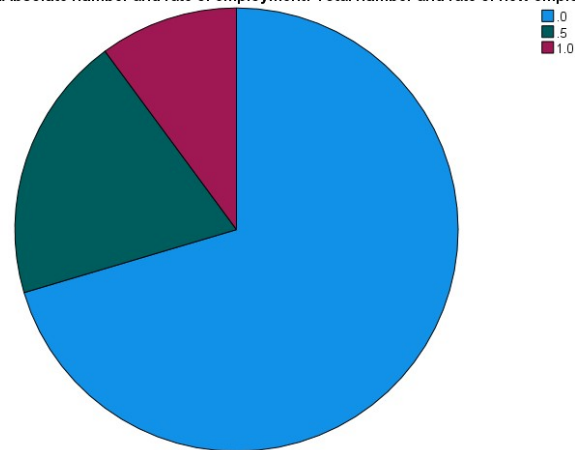


Example Metric: Prosperity Pillar - Jobs Created

Simple Boxplot of Net Number of Jobs Created by GICS Sector



CM17b.Absolute number and rate of employment: Total number and rate of new employee hires by gender



CM17e.Absolute number and rate of employment: Total number and rate of employee turnover by gender

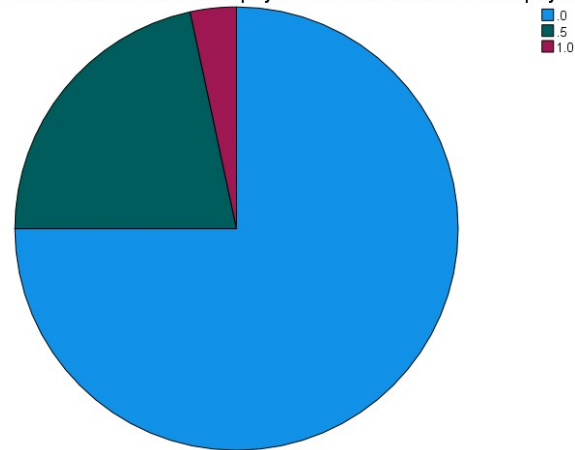


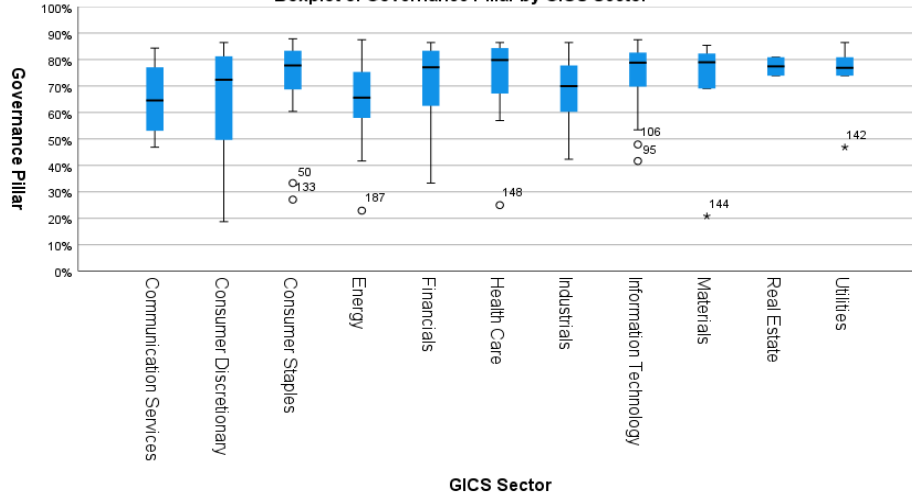
Tableau Renderings



Additional Slides

Reporting by Sector: Governance and Prosperity

Boxplot of Governance Pillar by GICS Sector

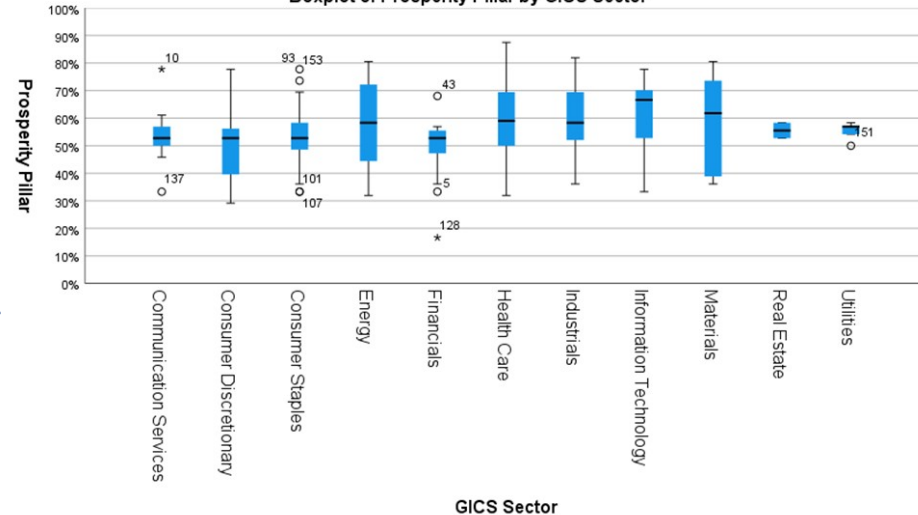


Mean Governance
% reporting:
69.9%

Mean Prosperity %
reporting: **55.5%**

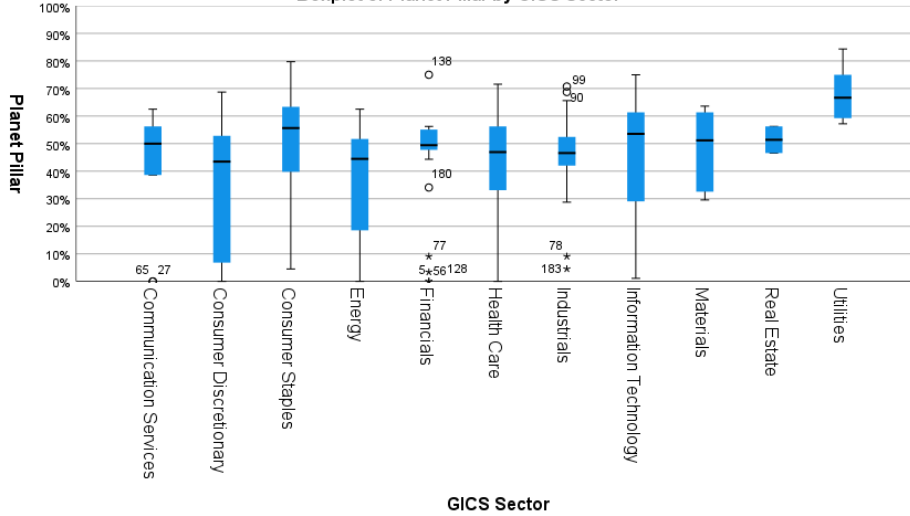


Boxplot of Prosperity Pillar by GICS Sector



Reporting by Sector: Planet and People

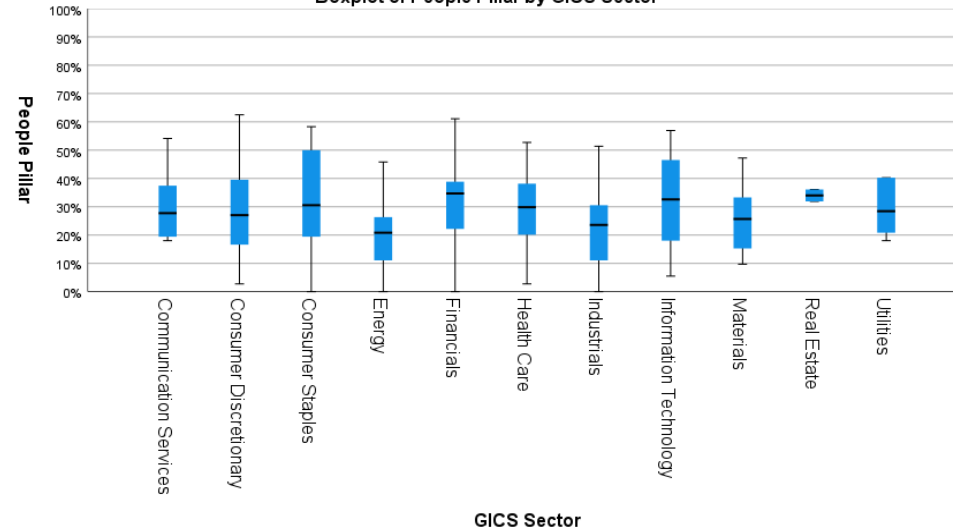
Boxplot of Planet Pillar by GICS Sector



Mean Planet % reporting: **43.7%**

Mean Planet % reporting: **43.7%**

Boxplot of People Pillar by GICS Sector



Mean People % reporting: **28.2%**